



*Commonwealth of Virginia*  
*Office of Governor Bob McDonnell*

**Transportation Funding and Reform Accomplishments during the  
McDonnell Administration**

**Transportation Funding:**

*2013 Transportation Funding and Reform Package – Virginia’s Road to the Future (HB 2313):*  
Provides over \$3.4 billion in dedicated, sustainable new revenue for transportation statewide over the next five years, as well as an additional \$1.5 billion and \$1 billion in dedicated regional revenues for Northern Virginia and Hampton Roads, respectively. This additional revenue will eliminate maintenance crossover, grow construction spending by over \$2.4 billion, adequately fund passenger rail and transit, and provide Virginia’s most congested regions with the resources necessary to begin addressing regional transportation priorities.

The statewide revenues are generated by:

- Eliminating the outdated 17.5 cents-per-gallon levy on gasoline and diesel fuel and replacing it with a 3.5 percent sales tax on gasoline and a 6 percent sales tax on diesel;
- Increasing the state’s general sales and use tax from 5 percent to 5.3 percent and dedicating the additional 0.3 percent to transportation;
- Increasing transportation’s share of the existing state sales tax from 0.5 percent to 0.675 percent over the next five years;
- Providing for a partial elimination of the 2 percent exemption on the Motor Vehicle Sales and Tax – or titling tax – by bringing the rate from 3 percent to 4.15 percent;
- Increasing the current electric vehicle fee from \$50 to \$64 and imposing the fee on hybrids and other alternative fuel vehicles; and
- Dedicating future revenues from the Marketplace Fairness Act to transportation, as well as public education and Virginia’s local governments.

Regional revenues in planning districts meeting specified criteria are generated by:

- Imposing an additional 0.7 percent regional sales tax, a 2 percent transient occupancy tax, and a \$0.15/\$100 grantor's tax in localities in Planning District 8 (Northern Virginia).
- Imposing an additional 0.7 percent regional sales tax and an additional 2.1 percent sales tax on motor fuels in localities in Planning District 23 (Hampton Roads).

According to recently completed economic impact analyses conducted by Chmura Economics, the additional construction spending as a result of HB 2313 will annually sustain 13,058 jobs and generate \$9.5 billion in economic impact. Additional roadway construction will sustain 10,133 jobs per year and generate \$8.1 billion in economic impact, while rail and transit construction will sustain 2,925 jobs and generate \$1.4 billion in economic impact.

*2012 Transportation Funding and Reform Package:* Increased transportation's shares of year-end surpluses to 67 percent and authorized the Governor to utilize remaining amounts thereafter – or the amount dedicated for non-recurring expenditures – for transportation. The legislation also authorized the Commonwealth Transportation Board to sell naming rights for Virginia's highway infrastructure and imposed a \$50 electric vehicle fee.

*2011 Transportation Funding and Reform Package:* Authorized the acceleration of previously approved Capital Project Revenue bonds enabling the Virginia Department of Transportation to issue \$1.8 billion in bonds over a three year period to take advantage of near historically low interest rates and construction costs. The package also authorized the issuance of \$1.2 billion in federally backed GARVEE bonds to support large scale capital projects, and created the Virginia Transportation Infrastructure Bank to better leverage existing revenues by providing low interest loans and grants to infrastructure projects. The revenues generated by this package are funding various phases of over 900 projects throughout Virginia. Once fully implemented, the 2011 transportation package will grow the Virginia economy by over \$13.1 billion and support an additional 105,000 jobs.

*Miscellaneous Initiatives:*

- Increased the per project cap and overall funding for the VDOT revenue sharing program and expanded the program to include maintenance projects. The revenue sharing program matches local revenues dollar for dollar to better leverage existing resources.
- Dedicated future proceeds from offshore energy exploration to the Transportation Trust Fund.

**Secretary of Transportation:**

- Working with representatives from across Virginia's transportation agencies, the Governor unveiled a new, multimodal strategic plan to guide transportation policy during the McDonnell Administration. The plan focuses on:
  - Establishing a seamless multimodal system that moves people and freight;
  - Ensuring the transportation system promotes and supports economic opportunity;
  - Developing unified and collaborative transportation planning and implementation processes;
  - Establishing sustainable and stable financial support;
  - Being an innovative pacesetter in technology, environmental protection and system management;

- Maintaining a strong customer focus to address travel and business needs;
- Improving safety across all modes of transportation by reducing transportation related injuries, fatalities, and crashes; and
- Developing and maintaining a competent and stable workforce that maximizes human capital.
- Created a new Office of Transportation Public-Private Partnerships to coordinate the development of PPTA projects across Virginia's transportation agencies.
  - Developed new streamlined PPTA guidelines.
  - Created a new PPTA project pipeline with current, candidate, and conceptual projects to create a more programmatic approach to developing and implementing P3 projects.
- Worked closely with Congress on measures to streamline project delivery and environmental processes in MAP-21, the most recent surface transportation authorization.

### **Virginia Department of Transportation:**

- Restructured agency personnel to achieve a net reduction of four executive level positions.
  - Chief of Organizational Development, Chief of Equal Business and Employee Opportunity and Chief of Communications were consolidated into the Chief of Administration
  - Eliminated the Chief of Research and Technology
  - Eliminated the Chief of System Operations by combining the Maintenance and Operations functions under a newly installed Chief Engineer
  - Eliminated the VDOT Inspector General position under the State Office of Inspector General consolidation
- Completed the VDOT Blue Print to right size agency operations and staff and begin the process of ongoing improvements.
  - Created the Construction Inspection Trainee Program to meet succession planning objectives in project delivery and reinstituted a Core Development Program to meet succession planning objectives in the engineering and business programs.
- The Comprehensive VDOT Performance Audit identified over \$1.4 billion that has since been invested in projects and made over 50 recommendations to improve agency operations by revising financial policies, improving project monitoring, creating new accountability in maintenance allocations, and streamlining project delivery, among other things.
- The PPTA Program Audit identified the need for centralized knowledge and a programmatic approach to enhance the development of public-private partnership projects, which resulted in the new Office of Transportation Public-Private Partnerships (OTP3) and a new Implementation Manual and Guidelines to streamline the PPTA process.
- The Planning and Programming Audit identified the need to improve the relationship between VDOT and the regional MPOs by streamlining and strengthening VDOT's planning and programming activities to give MPOs a more active role.
  - Conducted planning meetings in FY's 11 and 12 with Metropolitan Planning Organizations (MPO) to discuss transportation priorities and Six Year Program guidelines.

- Expanded six-year programming public meetings to provide citizens and elected officials more opportunities to provide input in the development of the six-year program.
- Since 2010, obtained \$143.7 million in additional federal funds that were originally allocated to other states, since they did not have projects ready to use the funding but VDOT did.
- The Research Program Audit identified the need to transform and refocus transportation research to all modes of transportation with an increased emphasis on implementation of innovative technologies and research recommendations.
  - Reorganized the Virginia Transportation Research Council into The Virginia Center for Transportation Innovation and Research (VCTIR), with a director that reports to the Commissioner.
  - Examples of innovation include utilizing three specialized processes to recycle existing pavement materials on site and reuse them in rebuilding the pavement, which reduces construction time by two-thirds and saves millions of dollars. A pilot project on I-81 is the first such project in the U.S., and this process has the potential to revolutionize how VDOT rehabilitates aging roads.
- Leveraged innovative financing opportunities and the \$3 billion in funding provided by the Governor's 2011 Transportation Package, which has contributed to \$14 billion worth of projects being built across the state or in procurement, including:
  - 495 Express Lanes - \$1.4 billion - Fourteen miles of new HOV lanes from the Springfield Interchange to north of the Dulles Toll Road opened in November 2012 on time and under budget. For the first time carpoolers can take the express lanes for free while drivers with one or two people can take the faster way by paying a toll.
  - 95 Express Lanes - \$925 million - Twenty-nine miles of Express Lanes from Garrisonville Road to the Springfield Interchange will tie directly to the new 495 Express Lanes, providing for faster and seamless travel in Northern Virginia. Construction is underway and is scheduled for completion by early 2015.
  - Dulles Metrorail - \$5.7 billion - The rail line is being extended for 23 miles from Arlington County to the Washington Dulles International Airport and beyond into Loudoun County. The first phase of the project is scheduled for completion in 2013. Phase I includes an 11.7 mile section extending services from East Falls Church through four stations in Tysons Corner and one at Wiehle Avenue. Phase II is currently in the procurement stage.
  - Downtown Tunnel/Midtown Tunnel/Martin Luther King Extension - \$2.1 billion - Construction has started on this project, which involves a new Midtown Tunnel, the rehabilitation of the existing Midtown Tunnel as well as the Downtown Tunnels, and the Martin Luther King Freeway extension.
  - U.S. Route 460 Corridor Improvements Project - \$1.7 billion - 55 miles of new limited access roadway, located south of the existing Route 460. Route 460 will generate jobs and economic development, accommodate greater freight traffic from the Port of Virginia, expand westbound hurricane evacuation routes and enhance connections among the region's military installations.

- Route 58 Widening - \$120 million - Construction has started on this project, which will widen 8.2 miles of Route 58 between Meadows of Dan and Laurel Fork. The road is expected to open to traffic by fall 2015.
- Coalfields Expressway - \$3.8 billion – This project involves preliminary engineering of the Pound Connector and Doe Branch sections of Coalfields Expressway. The Coalfields Expressway is a proposed four-lane highway stretching approximately 49 miles from Pound in Wise County through Dickinson and Buchanan counties to the West Virginia state line.
- Route 29 Bypass in Charlottesville - \$244.6 million – This project will lead to a new 6.2-mile roadway from Route 29 just north of the South Fork Rivanna River to the Route 29/250 Bypass in Albemarle County. A design-build contract was awarded in June 2012.
- I-81 truck climbing lanes - \$75 million - Under construction in Montgomery County. This project will greatly improve safety.
- I-95 bridges - \$113.5 Million- 11 bridges along the I-95/I-64 overlap in Richmond are being restored to expand the life span of the bridges for at least 50 years.
- Successfully issued \$493 million worth of bonds in 2010, \$600 million in 2011, and \$600 million in 2012, and VDOT is projected to issue another \$600 million in 2013 to take advantage of near historic low interest rates and construction costs.
- Launched the Virginia Transportation Infrastructure Bank, which will issue \$231.9 million in low interest loans and an \$80 million line of credit, totaling \$312 million, to help build Dominion Boulevard in Chesapeake and the Pacific Boulevard Extension in Loudoun County and the Route 460 Corridor Improvements Project. The bank provides a resource that public- and private-sector entities can use to finance projects and accelerate construction.
- Met Project Delivery Targets:

| Measure   | Target | FY12 Result |
|---|--------|-------------|
| Construction On-Time                            | 75%    | 86%         |
| Construction On-Budget                          | 82%    | 91%         |
| Maintenance On-Time                             | 77%    | 80%         |
| Maintenance On-Budget                           | 90%    | 93%         |
| All Projects On-Time AND On-Budget              | 77%    | 78%         |
| Construction Quality Improvement Program (CQIP) | 91.0%  | 91.4%       |

- Greatly improved percent of assets in fair or better condition:

| Measure            | Target | FY10 Result | FY12 Result |
|--------------------|--------|-------------|-------------|
| Pavement Condition | 82%    | 74%         | 81.49%      |
| Bridge Condition   | 92.0%  | 91.5%       | 92.1%       |

- Since 2010, VDOT has paved almost 17% of the lane miles it maintains. VDOT has paved approximately 21,000 lane miles (on a network of approximately 125,000 lane miles) at a cost of \$1.04 billion.
- Re-opened 19 rest areas to enhance safety, tourism, and economic development.
- Signed a New Strategic Highway Safety Plan in November 2012. Since 2007, deaths on Virginia highways have declined by 25.8%.
- Following legislation in 2010, VDOT increased speed limits to 70 mph on interstate highways where engineering studies determined it was safe to do so.
- Legislation increased the Highway Commissioner's contract authority from \$2 million to \$5 million to expedite program delivery.
- Leveraging existing assets to generate new revenues and offset costs. Examples include implementing the Sponsorship, Advertising, Vending Enhancement (SAVE) program and the "Safe Phone Zone" program, which is sponsored by Geico. These cost-saving programs are designed to generate a minimum of \$2 million in additional revenues to help defray the cost of operating the Commonwealth's 43 Safety Rest Areas and Welcome Centers.
- Implementing new technologies to reduce costs and congestion:
  - Launched a new 511 website and improved the 511 phone system which has resulted in a 60% increase in usage. Additionally, the new system allows motorists to download a free mobile app that provides real-time traffic information.
  - Deployed new electronic traffic display signs along certain interstate highways in Northern Virginia and Hampton Roads. These electronic message signs provide motorists with real-time traffic information that they can use to decide if an alternate route is necessary.
  - Collaborated with the State Comptroller to develop and implement an enterprise resources planning and financial system to replace the current state accounting system (CARS).
  - In the process of implementing a new active traffic management system on I-66.
  - Implemented Automatic Vehicle Locator (AVL)/Hired Equipment Time Tracking System (HETTS) that allows citizens to monitor snow plowing progress in Northern Virginia neighborhoods. Expanded the same utility to three other districts.
  - Selected a new contractor – Serco – to consolidate operations of VDOT's traffic operations centers and manage the Safety Service Patrol. Through this new contract, traffic operations technologies will be modernized to provide greater consistency and efficiency.

### **Department of Motor Vehicles:**

- Implemented the Troops to Trucks<sup>SM</sup> Program which provides reciprocity for military commercial driver's licenses (CDLs), allowing servicemen and women with military CDLs to obtain Virginia CDLs to help ease the transition to civilian employment in the transportation arena.

- Troops to Trucks<sup>SM</sup> allows for the waiver of CDL skills testing for service men and women with appropriate experience operating large vehicles as a part of their duties.
  - Through partnerships with military bases including Marine Corps Base Quantico, Fort Lee, and Fort Pickett, service men and women without this experience may obtain on-base training and testing.
  - Partnering with the Virginia Trucking Association, the Virginia Motor Coach Association, and the Virginia Pupil Transportation Association, DMV assists in matching employers with prospective employees who have completed Troops to Trucks<sup>SM</sup>, potentially reducing the time between discharge and employment.
- In May 2012, Governor Bob McDonnell launched Virginia's veterans ID cards. The cards are a mechanism for retailers and other businesses to quickly identify Virginia's veterans and help veterans obtain discounts and other commercial benefits. DMV has issued over 34,000 cards, far exceeding initial projections of 10,000 cards issued during the first year.
- In November 2012, DMV opened its 75<sup>th</sup> DMV customer service center (CSC) on Fort Lee. By placing a DMV CSC on base, the Commonwealth can better serve the unique needs of Virginia's active duty military personnel, veterans, families, and installation support staff. DMV is also working with the rapidly expanding Fort Belvoir to open an onsite CSC, and initial discussions have also been held with Naval Station Norfolk.
- In January 2012, Governor McDonnell announced the DMV and the Virginia Department of Game and Inland Fisheries (DGIF) partnership supporting his government reform priority of one-stop shopping. Customers register boats and boat trailers and purchase hunting and fishing licenses in one trip to either agency. DMV mobile units have also been used to sell DGIF products at gun, fishing and sports events and shows.
- In two DMV CSCs, DMV provides counter space to the Virginia Department of Transportation's (VDOT) EZ Pass vendor to issue transponders, answer customer questions and manage accounts.
- DMV has begun using a national system of vital records, called Electronic Verification of Vital Events (EVVE), to help customers who do not have a paper birth certificate but who need one to conduct DMV business.
  - DMV customer service representatives can electronically access birth records from the 32 participating states, including Virginia, to verify a customer's legal presence.
  - For those customers born in Virginia, the Virginia Department of Health Division of Vital Records (VDH/DVR) will subsequently mail a paper copy of the birth certificate to the customer.
  - In addition, through a memorandum of agreement between DMV and the VDH/DVR, DMV now accepts paper applications for certified copies of vital records on behalf of VDH/DVR.
  - DMV and VDH/DVR are also working toward implementation of Senate Bill 1039 (2013), which provides DMV access to Virginia vital record information for the purpose of directly issuing certified copies of selected vital records. VDH/DVR currently offers customers the opportunity to obtain copies of these records through the mail and through one walk-in office in Richmond. This new

partnership will greatly expand customer options for walk-in service by offering vital record issuance at all of DMV's 80 walk-in service outlets across the state.

- Fulfilling one of Governor McDonnell's campaign promises, DMV streams live video via the Internet of public meetings held at DMV headquarters. Providing such a far-reaching forum for these meetings substantially improves access to government operations and it helps reduce commuting costs and other environmental impacts since interested parties can view the meetings without leaving their office or home.
- For the first time, in 2011, DMV provided customers with easy online access to Virginia crash data through the Traffic Records Electronic Data System (TREDS), Virginia's "one-stop-shop" for accurate, timely and detailed highway safety information for analysis and reporting. Website users can create statistical crash reports with data fields including date ranges, fatalities and injuries, report type, statewide or specific locality through this new online interactive database launched last August.
- In support of the Governor's prisoner re-entry priority, the agency further expanded its mobile program in 2012 through a partnership with the Virginia Department of Corrections (DOC). The DMV Connect program helps prisoners preparing for release get identification cards before entering back into society.
  - DMV has a presence in 12 correctional facilities and is expanding in 2013. DMV is nearing an agreement to provide service to the Petersburg Federal Correctional Center as well as several Sheriff's Offices, including Norfolk, in early May.
  - In addition, DMV has agreements with three juvenile detention facilities to bring its mobile units to the facilities to issue identification cards twice a year.
  - DMV is also assisting inmates in gaining experience operating heavy commercial motor vehicles to be more productive while serving their sentences and prepare for transportation careers once released. DMV facilitates the CDL knowledge test in the prisons and coordinates the skills testing at nearby CSCs.
- The agency's IT modernization program – For All Customers and Employees (FACE) – is yielding great success. As of February 2013, all CSCs are using the new mySelect application. The new front end tool provides more intuitive controls and greater visibility into customers' future needs. Employees assisting a customer with a license renewal can see at a glance whether the customer can take care of other upcoming needs, such as a decal renewal, during the same visit rather than returning.
- Thirty-one transactions are now available on DMV's website. Eighty percent of customers are using alternative methods, such as the web, to renew their vehicle registrations rather than visiting a DMV customer service center.
  - This online migration benefits the Commonwealth since it costs the agency \$10.05 to process a vehicle registration renewal transaction inside a customer service center vs. only \$4.14 for the same transaction online.
  - Another example – it costs \$23.77 to process a driver's license renewal transaction in a customer service center and only \$9.43 online.
- Developed a new VirginiaDMV app with a wide range of features including access to more than two dozen DMV transactions, an office locator with average wait times, news alerts, the *Virginia Driver's Manual*, online sample knowledge exams, and the create-a-plate interactive tool.
- Since implementing the popular cost-saving eNotification program in 2011, more than 1.3 million Virginians have enrolled to receive DMV notices via email, text or phone



message. Since each piece of U.S. mail not processed by DMV saves 59 cents in paper, printing, processing and postage fees, DMV has saved more than \$800,000 to date.

- The agency's myDMV Account feature was recognized by the National Association of State Chief Information Officers (NASCIO) in the Digital Government to Citizen award category for outstanding achievement in the field of information technology (IT) in state government.
- DMV improved and expanded its EZ Fleet system, which allows companies to title and register fleets of vehicles without having to visit a DMV customer service center. In 2012, five new clients joined the program, bringing the total to 20. Training for new clients is now conveniently conducted at the corporate location.
- DMV launched an online Automated Routing Solution in March 2011 that improves the timeliness and accuracy of hauling permits issued to truckers moving oversize and overweight loads throughout the Commonwealth.
- In June 2010, Governor McDonnell issued a proclamation that expedites the safety inspection process for commercial motor vehicles traveling the Commonwealth's highways by eliminating the duplicative layers of federal and state mandates.
  - Under the proclamation any commercial motor vehicle subject to regulations of the Federal Motor Carrier Safety Administration (FMCSA) that is registered in Virginia and operates in interstate commerce, and is found to meet the federal requirements for annual safety inspection, is deemed to be in compliance with Virginia safety inspection laws.
  - Previously, heavy trucks that operate in multiple jurisdictions were required to display a Virginia safety inspection sticker if the vehicle displayed Virginia license plates.

#### **Department of Rail and Public Transportation:**

- Enhanced state oversight of the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors by establishing a dedicated seat on the Board for the Virginia Secretary of Transportation or his designee.
- Expanded Virginia's representation on the Metropolitan Washington Airports Authority (MWAA) Board of Directors from five to seven members. Virginia's members continue to play a significant role in driving major accountability, ethics, and transparency reforms at MWAA.
- Worked with representatives from the MWAA, U.S. DOT, and Fairfax and Loudoun counties to negotiate a new MOU to govern Phase II of the Dulles Corridor Metrorail Project. Through this MOU estimated project costs were reduced from \$3.8 to \$2.8 billion, with the Commonwealth agreeing to provide an additional \$425 million to the project.
- Oversaw the efforts of MWAA to complete construction of Phase 1 of the Dulles Corridor Metrorail Project. The Silver Line is set to open in December of 2013.
- Governor McDonnell proposed, and the General Assembly approved, establishing the Intercity Passenger Rail Operating and Capital Fund (IPROC) in 2011 to provide a dedicated fund for passenger rail operations and capital improvements. The Governor's 2013 transportation funding legislation provides a dedicated revenue stream to support

these critical operations, making Virginia one of only a handful of states in the nation prepared for the provisions of Section 209 of PRIIA.

- Restored passenger rail service to the South Hampton Roads area after a 35 year absence with the extension of Amtrak Virginia to Norfolk .
- DRPT worked with the Greater Roanoke Transit Company to establish bus service from Blacksburg, Christiansburg, and Roanoke to the Lynchburg Amtrak Virginia service. The bus bridge service is establishing ridership levels for the extension of Amtrak Virginia service to Roanoke.
- The Lynchburg Amtrak Virginia service continues to serve as a national model for performance within the Amtrak regional passenger rail system.
- In December 2012, the Federal Railroad Administration signed a Record of Decision for the Richmond to Hampton Roads Passenger Rail Study today, satisfying the requirements of the National Environmental Policy Act for a Tier I Environmental Impact Statement that considered alternatives for improving rail service between the Richmond and Hampton Roads regions.
- Completed the Heartland Corridor in September 2011, which raised tunnel clearances to allow for double stack intermodal trains. Combined with construction of the Commonwealth Railway Median Rail-line, a secure, dual access rail corridor that eliminates 14 at-grade crossings, these significant improve the efficiency of the Port of Virginia's rail service.
- Work continues for other rail infrastructure clearances, including tunnels for CSX's north-south National Gateway initiative to improve freight rail shipping along the I-95 corridor and open double-stack access between VPA marine terminals and the Midwest and Ohio Valley rail markets.
- Working with Norfolk Southern to complete infrastructure improvements along the I-81 corridor to advance the Crescent Corridor initiative.
- Senate Joint Resolution 297, passed during the 2011 General Assembly Session, required DRPT to conduct a study of transit in the Commonwealth with a focus on providing recommendations on ways to maximize the Commonwealth's investment.
  - The outcome of this study resulted in the development and ultimate passage of SB1140 during the 2013 General Assembly Session.
  - This legislation keeps the current allocation formula in place for the first \$160 million in funding each year, and all funds thereafter will have a new allocation formula based on performance metrics.
- The Norfolk Tide – the first light rail system in Virginia – opened in 2011. The Tide extends 7.4 miles from the Eastern Virginia Medical Center through downtown Norfolk along the I-264 corridor to Newtown Road within the city of Norfolk.
- Created a new \$1,500 tax credit to incentivize telework and help reduce congestion.
- DRPT improved its grants management process by enhancing the agency's grant evaluation tools, OLGA 4 and Symphony, to cover a grant's entire life cycle.
- DRPT unveiled draft recommendations for the Super NoVa Transit and TDM Vision Plan. The plan studied Northern Virginia, as traditionally defined, as well Culpeper, King George, and Caroline counties, portions of the Shenandoah Valley, the District of Columbia, and parts of Maryland and West Virginia. The plan's draft recommendations include:
  - An expansive commuter bus network throughout the region;

- An interconnected network of high-capacity transit services in the region's urban areas;
- A network of hubs to connect people to transportation services and programs;
- Increased coordination of local transit services across jurisdictional boundaries;
- Pedestrian and bicycle improvements to enhance connections to transit services and facilities;
- Comprehensive regional TDM strategy and programs; and
- Leveraging technology to enable people to make informed decisions about travel.

### **Virginia Port Authority:**

- In 2010, entered into a 20-year operating lease with APM Terminals, Inc. for its marine container facility in Portsmouth, VA. The APMT facility, a \$500 million private investment, is the most technologically advanced terminal in the Americas.
- Replaced 10 of 11 Commissioners on the Virginia Port Authority (VPA) Board of Commissioners to install new leadership with the experience necessary to help the Port of Virginia recover from the economic recession.
  - Since their appointment, the Commissioners have been hard at work to reduce costs, grow cargo volumes, and improve oversight of the port's operator, Virginia International Terminals.
- In 2011, the VPA entered into a five-year lease, with three five-year options, to operate the Port of Richmond.
  - Working with a private operator, the VPA increased the frequency of Richmond barge sailings to three per week, doubling barge volumes in the last year.
  - Using the Virginia Inland Port as a model, future strategies involve leveraging the Port of Richmond as a catalyst for increased economic development in the Greater Richmond area.
- Created three new port-related tax incentives – the Barge and Rail Use Tax Credit, the International Trade Facility Tax Credit, and the Port Volume Increase Tax Credit – to level the playing field with competitors by helping to attract new economic development opportunities and jobs that result in growth of cargo volumes at the Port of Virginia.
- Introduced legislation, which the General Assembly approved, to streamline operations by eliminating bureaucratic hurdles and providing greater flexibility to the Virginia Port Authority. The legislation also imposed new qualifications based requirements on the Board of Commissioners and created the Port Opportunity Fund to incentivize shippers.
- The VPA had its second best year on record in terms of cargo growth in 2012 (9.8%). From February 2012 to March 2013, the VPA achieved 14 consecutive months of cargo growth.
- Successfully completed a review of unsolicited PPTA proposals for port operations, resulting in a decision to implement a corporate restructuring of the VPA/VIT operational relationship. This restructuring is designed to reduce costs, create new efficiencies, and lead to improved oversight of port operations so that the port can grow cargo volumes and improve its market share.
- In the summer of 2012, the MSC BRUXELLES, called the Port of Virginia. At nearly 1,200 feet in length, with a capacity of 9,200 TEUs, she is the largest container vessel to

call the Port. Post-Panamax vessels, exceeding 8,000 TEUs in capacity, are regularly calling the Port via the Suez Canal.

- In October 2011, VPA partnered with Norfolk Southern to launch a new daily intermodal train service connecting the Port of Virginia with the Greensboro, NC, market. More than 13,500 containers have moved via the Greensboro service since its inception.

#### **Virginia Commercial Space Flight Authority:**

- The 2010 Appropriations Act transferred oversight of the Virginia Commercial Space Flight Authority (VCSFA) to the Secretary of Transportation's Office and mandated that the Secretary undertake a strategic review of the competitiveness of the VCSFA and develop a new strategic plan.
- Based upon the strategic review, the Governor introduced, and the General Assembly approved, legislation to restructure the VCSFA as a truly independent state agency with the powers and resources necessary to grow the commercial spaceflight industry in Virginia.
- Increased the annual VCSFA operating budget from \$1.5 to \$9.5 million to provide the necessary resources to operate and maintain the Mid-Atlantic Regional Spaceport (MARS).
- Completed a new strategic plan to govern the growth of the commercial space flight industry in Virginia and attract new customers to MARS.
- Re-negotiated the Memorandum of Understanding with Orbital Sciences Corp governing its partnership with the VCSFA for 8 launches to the International Space Station.
- As a result of this MOU, the Commonwealth purchased all non-Orbital specific assets related to the new Pad 0-A to better enable the VCSFA to market MARS to other customers.
- In late 2012, the VCSFA and Orbital completed construction of a new \$120 million commercial launch pad at MARS.
- On Feb 22, 2013, the VCSFA and its partners at Orbital successfully completed a 30 second hot-fire test on the new Pad 0A to validate the pad systems and the Antares rocket.
- On April 21, 2013, the VCSFA and its partners at Orbital Sciences successfully completed a test launch of Orbital's new Antares rocket from the new Pad 0A at MARS.

#### **Department of Aviation:**

- Became the first state agency nationally to achieve IS-BAO Registration. Considered the Gold Standard for corporate and executive flight departments, this registration proves to all our customers that the Department goes beyond the adequacy of FAA safety standards to a higher level, which mandates that all relevant best management practices are followed for our state executive flight services.
- Completed aerospace and aviation economic impact studies, an aviation competitive analysis, and an aviation and aerospace workforce analysis to document the strengths and weaknesses of the aviation and aerospace industries in Virginia. For example, the aviation economic impact study showed that the aviation industry supported 259,000 jobs and generated \$28 billion in economic activity in 2011.

- In partnership with the Virginia SATLab, Inc., DOAV established the [virginiaairtaxi.com](http://virginiaairtaxi.com) web portal to foster the utilization of on-demand point-to-point small aircraft travel for the business community.
- Hosted the first Virginia Business Aviation Symposium to gather feedback on how to continue to ensure that business travel access to and from all corners of the Commonwealth is maximized.
- Became the first state to develop a strategic plan for implementing new digital and satellite platforms known as NextGen.
- Implemented the Small Community Airport Access Program to provide local weather-reporting capability, as well as instrument approach procedures, to our smaller general aviation airports. Virginia is the first state to have public instrument approaches at all public-use airports and is under contract to have automated weather observation systems at all public-owned, public-use airports.
- The Commonwealth continues to push ahead to establish the best network of General Aviation Terminal Buildings in the U.S. Over the past four years, a new terminal has been constructed at Mountain Empire Airport and new terminals are underway at the Stafford Regional Airport and the Twin County Airport. Additionally, the terminal at the Shenandoah Valley Regional Airport was renovated.

#### **Motor Vehicle Dealer Board:**

- Successfully implemented a Continuing Education Program for dealer-operators of independent car dealerships. On-line and traditional classroom courses are offered through two vendors to help ensure that dealer-operators remain up-to-date with current rules, regulations, and issues impacting the dealer industry.
- Became one of the first state boards or commissions in Virginia, and the first dealer board nationally, to broadcast meetings live over the internet and archive these meetings for future use.